

# 2012 STATE OF THE CITY



## MAYOR FRANK SCOTTO

Frank Scotto was elected to his first term on the Torrance City Council in 2000 and garnered the mayoral seat in 2006 and re-elected in 2010. As mayor, he serves as the voting delegate to the Southern California Association of Governments (SCAG) and the Los Angeles County Sanitation District, and as the Chair of both the State and the Federal 2010 Ad Hoc Legislative Advocacy Committees. He is currently a board member and past president of the Lomita-Torrance Airport Rotary Club, having actively participated in this club for over 25 years.

A native Californian, born in Riverside in 1948, Frank Scotto has lived in Torrance for 57 years.



Good Afternoon everyone! I'm Mayor Frank Scotto and on behalf of the Torrance City Council, thank you for joining me today as we reflect and revisit the history and continuous growth of our great civic and business community.

Before I go any further I would like to thank:

- Torrance Area Chamber of Commerce
- All the Past Chairmen of Torrance Area Chamber
- My colleagues on the Torrance City Council
- City Manager Leroy Jackson – 47 years
- Assistant City Manager Mary Giordano
- All our Torrance City Employees
- Torrance City Cable
- The Torrance Marriott
- Jamie Le
- My wife Cindy
- I'd also like to recognize a couple of the groups that are here today.
- Lomita/Torrance Airport Rotary
- Del Amo Rotary
- Torrance Rotary
- Kiwanis
- Torrance Police Officer's Association

As I prepared to address the state of our City, the numerous projects and developments we've accomplished over the past year remind me how far we've come. Currently, there are a lot of great things happening in Torrance and with 2012 being our Centennial year it is rewarding for me to see how our City has successfully married our industrial past to our entrepreneurial future.

Our Centennial Year began with an unbelievable 2,500 participants in the Lights, Camera, Action Celebration with lights donated by Pelican Products. We overcame the chilly weather together and I felt a strong sense of community. As we continue the celebration of our City's 100 years, I look forward to spending another memorable day with all of you on September 16<sup>th</sup> to celebrate our Centennial with a community parade followed by the unveiling of the Centennial Plaza and dedication of the Time Capsule. The culmination of our year-long celebration will be the Birthday Bash on October 28<sup>th</sup> !

Reflecting on the rich history of Torrance and who we are now has been like reading the pages of a novel. As a resident, business owner and the Mayor of this City I have witnessed first hand the social and economic changes in our city. We have met diverse characters, prevailed over obstacles, and thrived in our growth. But I believe, even with all that we have accomplished, we have yet to reach the climax of our story and, truly, that is what makes Torrance a great city. We continue to add pages and chapters as we progress and enhance the quality of life in Torrance. I would love to be here in 100 years to see what changes are to come!

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Since I have assumed the mayoral seat, I have stressed that a way to exhibit honesty is by having a transparent government. Torrance is committed to keeping our residents and business partners informed which is why today's address is very important to me. The past couple of years I have addressed the uncertain state of the economy. The good news? The Gross Domestic Product for the United States has grown at an annual rate of 3%. But the better news? Unemployment rates have dropped since last year. The most recent comparable numbers from April of 2012 show that Torrance's unemployment rate is 5.5% as compared to the County at 11.6%, the State at 10.9% and our Nation at 8.1%. The economy IS recovering. As we continue the journey to recovery, revenue streams to the City will continue to improve. Torrance has experienced this growth firsthand. We've seen an annual growth of 4% in our retail sales with a 9% growth during the holiday season as compared to the previous year. This year an average of 109 newly licensed businesses have opened in Torrance each month.

We are optimistic on the outlook for the City. After a cautious rebalancing of the budget, we will be entering 2013 with, for the first time in 4 years, a no cutback balanced budget. However, we all know the issues with the State budget and its shortfall of \$10 -\$12 billion. We anticipate even more responsibility and pressure to be passed down to us at the local level with slim or no funding. In particular, our annual Vehicle License Fee revenue of \$530,000 has been taken by the State, which by the way, there is a lawsuit over this action, and AB109, the Criminal Justice Realignment bill, has shifted the responsibility of housing "low-risk" inmates from the State to the County and ultimately to the cities. More about this later. Additionally, as of February 2012, the Redevelopment Agencies in the State of California were disbanded at the order of the Governor. We are still reeling from this action and determining its impact on our redevelopment bonds.

We have had to make some modifications and adjustments to accommodate the still uncomfortable financial state we are in. The focus is to maintain our current service levels by constantly challenging ourselves to be smarter in service delivery. For example, in 2011, we began the restructuring of the City's Human Resources Department from a department to a division and earlier this year we completed the transition. The restructuring saved the City \$115,000. The Fire Department pursued grant opportunities and received the equivalent of almost \$500,000 in replacement radios. The General Services Department has vigorously sought grants that provide opportunities for energy retrofit capital projects to produce annual savings of \$400,000. Even with fewer employees and tighter budgets, our City Staff is working diligently, resourcefully, and effectively with what they have.

While we've seen an improvement in our economy, Torrance has still felt its impacts with companies downsizing or closing. Such challenges help illustrate Torrance's strong foundations, diversity and resilience. Where one chapter ends, another one begins, and while some companies unfortunately had to close their doors, others saw opportunity to move in or expand and bring something new. Pacific Audi is building a new state of the art dealership. In its departure at its current location a new dealership will emerge. In the former Kmart site on Hawthorne Blvd., OSH, Home Goods, and a grocery store will move in. Scott Robinson Honda is in the midst of a significant expansion.

The former Ball Corporation which closed last year has been purchased with new plans for almost 500,000 square feet of industrial, warehouse and manufacturing. From an environmental perspective, it is rewarding to know that the new owner plans to keep the building which was constructed not too long ago by Ball, and will seek Platinum LEED status for the project.

Downtown Torrance continues to reinvent itself with injected vitality from new businesses in conjunction with our current thriving establishments. Even in challenging economic conditions, businesses continue to thrive. Businesses want to call Torrance their home, and we've embraced them.

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Partner Engineering and Science has joined our community. If you have recently driven down Torrance Boulevard heading to Downtown Torrance, you will have seen an amazing transformation of the former Pacific Bell building with distinctive style and signage. We are pleased that this business, which had its nationwide choice of location, chose Torrance for the relocation of their corporate headquarters and we welcome them.

We've welcomed a Fresh and Easy Neighborhood Market, 2 Chik-fil-a's Hollywood Suit Outlet, an In N Out Burger and many more. Wal-Mart will soon find its home in Torrance come September. In about 2 weeks, Walmart will open a hiring center here in Torrance. With the new 80,000 square foot store they plan to open in the Fall, they will be hiring 165 to 180 new, permanent jobs for our residents. And not only that, the store is expected to help boost revenues for the City. A new Walmart store may be expected to generate several hundred thousand dollars in new tax revenue per year for the city. These revenues will help pay for essential services that define the character of our city. I'm pleased to see that Walmart is stepping in, creating jobs and opening their doors in Torrance – we appreciate good corporate neighbors and look forward to expanding our great partnership with them.

As touched on already, auto dealerships remain a vital contributor to our City. In addition to dealerships such as Mercedes-Benz of South Bay, Pacific Porsche, South Bay Lexus, Power Volvo of South Bay, Power Ford, and Infiniti South Bay, the brand new DCH Toyota completed the remodel of all the car dealerships on Pacific Coast Highway. In other parts of the City, dealership renovations are occurring such as at Martin Chevrolet, Penski Cadillac, and South Bay BMW. I'd like to give a special thank you to all of the dealerships for keeping our city beautiful with all of your upgrades and renovations.

We continue to introduce new characters in our story and look forward to their latest chapters. A new relationship has been established and a transportation services company is looking to relocate and bring approximately 140 employees to Torrance by this time next year. In fact, companies from around the world have been contacting our City, eager to find property to expand their international businesses.

I continue meeting with Simon Property and the folks at Del Amo Mall. They are advancing plans for a dynamic interior renovation that we expect to begin during the first quarter of 2013. In the meantime, they are developing several high-fashion retail alternatives for the northern portion of the mall - with a goal of at least one new fashion department store introduced in the very near future. We all hope we see more than just one.

The public will of course be presented with scenarios in advance, likely in the next one to two months, depending on feedback they receive from retailers they are talking to as we speak.

If all goes well, work on this phase will begin in 2014, and a full renovation/expansion of the north side of the mall could be completed as early as spring 2015. Simon asks that we allow them the time to have productive retailer feedback prior to moving full force into the community process, and we understand those needs.

Work on the southern portion of the mall will be the following phase. Details have not been worked out but we expect they will start talking about specifics sometime later this year. While I wish the mall had been redeveloped years ago, I am pleased by the progress I am now seeing from Simon.

As you can see, a large part of Torrance's story is it's businesses and jobs. We recognize the importance of businesses which helps us to provide services, programs and activities to our residents. ExxonMobil partners with the City and the school district every summer for their youth employment program. This program is important as it gives youth an opportunity to be prepared for their first job.

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This past April, we celebrated the Torrance business community at the 5<sup>th</sup> Annual Torrance Advantage Awards. Businesses large and small were recognized for their innovative economic development strategies in the year 2011. In addition, our Office of Economic Development has been working diligently with the South Bay Entrepreneurial Center (SBEC) to get the new Business Incubator up and running. The SBEC is a non-profit innovation center where entrepreneurs can meet, exchange ideas, and access mentors and business resources in a supportive environment. It essentially sets the stage for growing local businesses, creating new jobs and fostering economic development in the South Bay. We want innovation to start here, in our community. A location has been chosen in Downtown and we look forward to a ribbon cutting ceremony in the near future.

We proactively seek ways to assist our businesses. The Torrance Fire Department has continued to provide high quality service to our business community despite challenging economic times and obstacles. After Assembly Bill 2286 went into effect, which requires businesses and local government agencies to file required hazardous materials information electronically, the Torrance Fire Department immediately began implementation of this directive. The Department created a computer workstation in-house whereby all businesses were invited to come in and submit their forms with the Fire personnel's direct assistance. We have enrolled 85% of our hazmat businesses to date. It is estimated that the cost savings achieved by the Torrance Fire Department by going paperless over a 5 year period will be at least \$200,000.

Once again the City of Torrance experienced an overall reduction in crime for 2011. These reductions include both violent crime and property crimes. Under the Police Department's Focus Based Policing philosophy, attention continues to be on problem solving, community partnerships and crime prevention strategies. In 2011, the Department made great strides in the use of social media to communicate and educate our community keeping our citizens engaged and informed. The Department is in the process of developing and constructing a state of the art forensic crime lab as an additional effective tool to fight and resolve crime.

As noted earlier, on April 5th, 2011, California Governor Jerry Brown signed Assembly Bill 109, "the criminal justice realignment plan," which became effective October 1, 2011. California's "realignment plan" is the most significant change to corrections and sentencing we have ever experienced. Under realignment, the state will continue to incarcerate offenders who commit serious, violent, or sexual crimes, but now each county has been delegated the responsibility of housing, rehabilitating, and supervising low-level offenders. Over 500 of California's felony criminal statutes have been reclassified to allow offenders to fit the criteria of a low level offender under the realignment plan.

This is looming as a significant issue for the City as the vast majority of these low level offenders are responsible for committing property crimes and drug offense. In most cases offenders will only serve a small portion of their jail sentences and then be released back into the community as the LA County Jail system is already overcrowded.

All of the budget funds from the State for our area have been given to the County of Los Angeles. This has left the City responsible for community corrections programs and the supervision of low level offenders. The Torrance Police Department has taken a proactive approach to ensure community safety at the local level. The Parole Compliance and Assistance Program has been developed and implemented by Police to closely monitor the inmates who are released from custody within the realignment bill and residing within the City of Torrance and surrounding area. Police officers will ensure individuals who have been released back to our community are contacted in a timely manner both to ensure they are in compliance with the conditions of their release and to offer social support services as needed.

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Information and intelligence obtained during these contacts are analyzed and shared with detectives investigating crimes within Torrance and surrounding law enforcement agencies in our region. As I stated earlier this is of significant importance to the business and residential community, so with the help of my colleagues on the Torrance City Council, we will be bringing on 2 more police officers to support the impacts of AB109 to maintain our commitment to a safe community.

Great health care is the corner stone of any great community. Our City is fortunate to have two first class regional medical centers, Providence Little Company of Mary Medical Center and Torrance Memorial Medical Center, providing excellent medical, emergency and ambulatory care.

Providence Little Company has recently been recognized as being one of the Top 100 Hospitals in the United States by Thompson-Reuters for 2012. The hospital will begin construction on its Breeze Medical Office Building on Torrance Boulevard this summer to house diagnostics and physician offices and anticipates creating over 200 new jobs in the community. Providence Little Company anticipates completion of its Trinity Hospice and Home Care Center, including a Physician and Nursing Institute, by the end of 2012 on the Breeze site.

I am also excited to announce that Providence Health and Services Group of Hospitals and Care Facilities will relocate its Corporate Offices to Torrance. The new offices will be completed by the fall of 2012 and will create new jobs.

Torrance Memorial Medical Center has long roots in our community having been founded in 1925 by our city's founder Jared Sidney and his wife Helena Childs Torrance. Since its inception it has moved from its original home in downtown Torrance to its ever expanding campus on Lomita Boulevard. Torrance Memorial is constructing its "Hospital of The Future", a nearly 400,000-square-foot seven-story new Main Tower. The \$450 million dollar construction project will be completed in late 2014 and will open in spring 2015. The project is creating jobs now and will create more in the future. At its peak, there will be 500 construction workers on site with new health related jobs created with the opening of the Tower.

I am pleased to state that this year Torrance Memorial joined the ranks of the top 6% of hospitals in the nation by earning the coveted MAGNET Award in recognition of providing nursing excellence. Our congratulations to both of our top performing medical centers !

Last year I mentioned a 20 year capital project in the making, the Del Amo Boulevard Extension. Long awaited, this extension between Crenshaw and Maple will relieve congestion and provide better traffic circulation. We've chronicled the progress on its very own Facebook page. From surveying the land to installation of the approach slabs for the bridge, you can click through the pictures to look back at the construction during our initial stages and keep up to date on how we are moving forward. The Del Amo Boulevard Extension is expected to be completed in July 2012 and the City is planning a grand opening ceremony to celebrate the spectacular event of a new road and bridge.

Another special event that we hope to see occur is the possible use of a vacant property at 555 Maple Avenue. City Staff has been in discussion with the Judicial Council about this court owned property. It is a six acre site that we would like to utilize as a multi-use sports field. No plans are finalized as of yet, but the City is optimistic about creating a satisfactory agreement with the Court System.



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Speaking of sports fields, Discover Torrance, the tourism business improvement district TBID has had some successes this year, particularly with the National Invitational Fastpitch Softball Tournament that was held in Wilson Park in March. This 3-day event brought in 16 teams of high school girls and their families which sold out our hotels and increased businesses at our stores and restaurants. The group was so pleased they want to come back next year and bring 24 teams!

And talk about spectacular, in addition to softball, Torrance was awarded the youth section of the American Youth Soccer Organization's (AYSO) 2014 National Games. Having had experience with this in the past, I know what an economic benefit a multi-day event such as the AYSO National Games can have with up to 400 youth teams arriving in our City for an exciting seven days. Estimated revenues could top \$10 million for the week! I'm very proud that the AYSO has chosen Torrance for their youth National Games in their 50<sup>th</sup> year, bringing it back home to Torrance where the organization was founded in 1964.

Flipping through the pages of our most recent chapter, we've encountered many diverse characters and also introduced new ones. We are very lucky to have model citizens in our community and take great pride in honoring them. This year we announced our newest Jarred Sydney Torrance Award Honoree, Janet Payne, for her countless amounts of volunteer work and the many positive ways she's impacted Torrance. And, most amazingly, we were able to surprise her.

To continue the tradition of strong volunteerism in our community, this year we established the Citizens of the Year Award and recognized five amazing citizens: Three of the five, Dee Hardison, Kristin Matsuda, and Keith Montoya were recognized for their work in developing a sustainable ethics program that captured the values of our community to guide candidates running for elective office. Two of the five, June Lee and Melissa Wright, were recognized for their selfless service and betterment to the community in the dedication of the Seaside Heroes Park. This is a great tradition to start in our centennial year.

Torrance is full of citizens shaping the community and nurturing and preserving it as well. In preparation for our City's 100<sup>th</sup> Birthday, the Old Torrance Neighborhood Association, with leadership from Debbie Hayes and the support of Todd Hayes and Charles Payne, gathered the community in a series City Beautification events. Homeowners Associations, Non-Profit Organizations, Clubs, Businesses, Individuals and so many more came out to polish the place we all call home.

Last weekend we continued our tradition of recognizing heroes with the 53<sup>rd</sup> Annual Armed Forces Day Parade and Celebration. For 53 consecutive years, it has been our way of thanking the Soldiers, Airmen, Marines, Sailors and Coast Guardsmen, for their generosity and selflessness that enables us to live freely in our nation, as they protect the democratic ideals on which our country was founded. Torrance was honored to have the Secretary of the Air Force, Michael B. Donley, serve as Grand Marshall. Secretary Donley is a home-grown hero having lived in Torrance and graduated from South High.

Speaking of homegrown heroes, the City of Torrance launched the Hometown Heroes Military Banner Recognition Program this year. The program provides an opportunity to recognize our community's men and women in uniform who are currently serving in the Armed Forces, veterans who have served in the past, or veterans of the past who are now deceased with a banner hung on select City streets in their honor. It is our pleasure to embark on this new tradition so that we can continue to thank and remember our hometown heroes year round.

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Torrance is extremely proud to have three significant car manufacturers call our City home. With General Motors Advanced Technology Center, where development and testing for the Chevy Volt is conducted, and Honda and Toyota headquartered here, we have found ourselves in the midst of emerging green technologies. It excites me to see our business community participating in sustainable energy strategies.

Earlier this year we received our own set of “green wheels” from American Honda. In partnership with their Fit EV Research Program, the City of Torrance along with Google and Stanford University, have been taking notes and providing feedback about the “all electric vehicle.” Our particular study of the Honda Fit EV includes the charging infrastructure development. We are making a strong effort to build public awareness about electric vehicles as well as promote sustainable community initiatives.

Enterprise Rent-a-Car has added electric vehicles to their fleet of rentals and implemented a discount program that rewards customers who drive in with an electric vehicle. Our two new auto dealerships DCH Toyota and Pacific Audi, and as noted earlier, the former Ball property currently being redeveloped and along with Toyota’s headquarters are LEED certified which means that the new campuses will be environmentally smarter inside and out. Our businesses are literally leading Torrance towards a greener community! We are preparing for our future and encourage everyone to follow the footsteps of our City’s trailblazers, so that Torrance can one day become the epicenter of American green technology.

Our citizens have joined in too, enthusiastically participating in our soon to be city-wide green recycling program. It sounds odd, but I am receiving fan letters from citizens when they receive their new green waste containers.

Speaking of education, in 2008, the City, the Torrance Unified School District, residents and community organizations, worked hard to explain to the community why it was important for them to vote to approve the construction bond measures X & Z for upgrades and renovations of our schools. One of the top priorities was to rebuild Hull Middle School. In August of last year Hull Middle School reopened as the first brand new school built in the Torrance Unified School District in over 40 years.

As a city we understand TUSD still has their challenges. The State continues to struggle with providing adequate funding or providing TUSD a predictable stream of revenue to allow for long-range academic planning. Teachers, staff, and administration are doing more with less but are still providing excellent education for our youth. In fact, both Arnold Elementary School and Carr Elementary School are recognized this year as California Distinguished Schools. And one more very important fact, the high school graduation rate in Torrance is 98%.

We continue to be supporters of our schools with partnerships in programs like Students and Government Day, The Youth Development Program and Junior Leadership. These students are our future leaders; they will write our upcoming chapters.

So what can we expect in our next chapter?

For those of you that have heard me speak before, you know that I like to use a quote or two. This one is by former President John F. Kennedy: “Things do not happen. Things are made to happen.” The City has actively dedicated itself over the past six years to find a site and rebuild its former transit center. It has spent the last 3 years working METRO to ensure that the Green Line comes to Torrance at some point in the future. It is through this relentless focus that Torrance will soon have a regional transit center alongside the METRO owned railway.

We have commenced the master planning and design of the “Torrance Transit Park and Ride Regional Terminal” located at 465 Crenshaw Boulevard on approximately five acres. As noted earlier, the site is located adjacent to

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and has direct access to the METRO owned rail line. The Regional Terminal will act as a hub for local and regional connectivity for: Torrance Transit System, Metro, Beach Cities Transit, Gardena Transit and the Park & Ride LAX. Design started in February and the Regional Terminal is schedule to open July 2014.

In our commitment to sustainability, it is targeted to be a Green facility with a proposed Gold LEED Certification in support of environmental and air quality

OK, for my second (and almost last) quote . It is by a well-known Philosopher *“Those who cannot remember the past are condemned to repeat it.”* Torrance is a resilient city. In celebrating our Centennial, we are looking back and appreciating our history. What obstacles we have encountered and what adversity we have overcome but we continue to progress, move forward, and learn from the past .

As I end my comments today, I encourage you all to move forward in a way that inspires people, whether it is a friend, a family member, a business partner or co-worker. It is your actions that drive our City towards success. In my third and last quote from John Quincy Adams. He stated: *“If your actions inspire others to dream more, learn more, do more and become more, you are a leader.”* The City of Torrance is filled with active participating citizens and leaders from the past and present. They have shaped our balanced City.

Mr. Torrance and those founding citizens one hundred years ago had a vision of this great City. Citizens and leaders have built upon that vision. Our balanced City of today is truly a business friendly world class City – we now step into our second century with great expectations for the Torrance to come: As our centennial logo says: **LOOKING BACK AND MOVING FORWARD.**

I thank you all for being here today.